

SECRET

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DEFICIENCY ON RAILROAD RAILS

1. At the present time there is no critical shortage of rails in the Soviet Bloc. However, in China and East Germany lack of rails has retarded construction and rehabilitation of railroad lines but, if considered a priority problem, these deficiencies could be made up by shifting supplies from other areas of the Bloc. Bloc fabricating capacity for rails is adequate. There is no evidence which suggests that military capabilities would be seriously limited due to a shortage of rails.

2. Present uses, especially within the USSR, are mostly for the purpose of rebuilding and generally improving lines, rather than for the purpose of new construction. Some rails are being stockpiled at key points along strategic rail lines, but the annual requirements for this program are small. If rails were exported to the Soviet Bloc by the West, the effect probably would be largely limited to permitting a reallocation of steel to other industries.

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